

Message Text

UNCLASSIFIED

PAGE 01 GENEVA 03993 241416Z

42

ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 OMB-01 TAR-02 SP-03 SWF-02

AGR-20 AID-20 CIAE-00 COME-00 INR-10 LAB-06 NSAE-00

OIC-04 RSC-01 SIL-01 STR-08 TRSE-00 CIEP-02 CEA-02

SS-20 NSC-07 DRC-01 AF-10 ARA-16 EA-11 NEA-14 /212 W

----- 003767

R 241330Z JUN 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 6637

INFO AMEMBASSY ROME

USMISSION OECD PARIS

USMISSION EC BRUSSELS

UNCLAS GENEVA 3993

ROME FOR FODAG

EO 11652 NA

TAGS EAGR ETRD FAO UNCTAD

SUBJ UNCTAD/FAO:INTENSIVE CONSULTATIONS ON TOBACCO

REF STATE 125136 AND 130207

BEGIN SUMMARY: INTENSIVE CONSULTATIONS ON TOBACCO TOOK PLACE IN RELAXED AND FRIENDLY ATMOSPHERE. THERE WAS GENERAL AGREEMENT THAT THE OVERALL OUTLOOK FOR TOBACCO WAS SATISFACTORY. TO THE EXTENT THAT THERE WERE CRITICISMS THEY WERE DIRECTED AT EC AND JAPAN. AGREED CONCLUSIONS WERE SIMILAR TO THOSE FOR OTHER CONSULTATIONS IN FAO, I.E. THAT WHILE GOVERNMENTS COULD NOT COMMIT THEMSELVES TO PARTICULAR COURSE OF ACTION, VARIOUS PROPOSALS ADVANCED REPRESENTED POSSIBLE LINES OF ACTION FOR CONSIDERATION. END SUMMARY.

1. INTENSIVE INTERGOVERNMENTAL CONSULTATIONS ON TOBACCO HELD IN ROME JUNE 20-22 TOOK PLACE IN RELAXED UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GENEVA 03993 241416Z

AND FRIENDLY ATMOSPHERE. STATEMENTS OF DELS SUPPORTED

FAO ANALYSIS THAT THERE WAS NO MAJOR GLOBAL PROBLEM IN TOBACCO AT PRESENT BECAUSE OF THE GOOD MARKET AND POSITIVE OUTLOOK FOR THE NEAR TERM. TO THE EXTENT THAT THERE WERE CRITICISMS, THEY WERE DIRECTED AT EC AND JAPAN. EXCEPT FOR BULGARIAN REQUEST FOR MFN TREATMENT AND A COMPLEMENTARY REMARK BY MALAWI WELCOMING ABOLITION OF US SUBSIDIES ON TOBACCO EXPORTS, US POLICIES DID NOT FIGURE IN THE DEBATE. SEVERAL DELS (INCLUDING US) COMPLAINED ABOUT THE LATE DISTRIBUTION OF DOCUMENTS AND STATED THEIR GOVERNMENTS DID NOT HAVE TIME TO DEVELOP COMMENTS ON ALL PROPOSALS. USSR PARTICIPATED AS OBSERVER.

2. IN LOW-KEY FASHION, INDIA USED MEETING TO TRY TO PUT PRESSURE ON THE EC TO CHANGE ITS QUOTA UNDER GSP FROM A VALUE TO A VOLUME BASIS BECAUSE OF THE EROSION THAT WILL OCCUR AS A RESULT OF INFLATION AND TO EXPAND THE QUOTA TO INCLUDE TOBACCOS OTHER THAN FLUE CURED. INDIA (SUPPORTED BY SEVERAL OTHER LDCS) ALSO SUGGESTED THAT EC SHOULD LOWER ITS TARIFFS ON LOW-PRICED TOBACCO IF IT DECREASED ITS TARIFFS ON HIGH-PRICED TOBACCO. (THIS WAS OBVIOUSLY A VEILED REFERENCE TO THE US-EC ARTICLE 24:6 SETTLEMENT.) GREECE, ON OTHER HAND, SUGGESTED THAT TARIFF LIBERALIZATION IN MTN SHOULD NOT COVER ALL TOBACCO BUT SHOULD CONCENTRATE ON REDUCTION OF DUTIES OF HIGH-PRICED TOBACCO IN ORDER TO GIVE LDCS INCENTIVE TO IMPROVE QUALITY AND MEET GROWING DEMAND FOR SUCH TOBACCO.

3. MAIN THRUST OF AFRICAN STATEMENTS WAS TO SUPPORT SUGGESTIONS BY FAO SECRETARIAT FOR INCREASED FINANCIAL AND TECHNICAL ASSISTANCE AND TO URGE MORE FREQUENT AD HOC CONSULTATIONS. MALAWI, TANZANIA, UGANDA AND MADAGASCAR APPEARED TO GO OUT OF WAY TO BE CORDIAL AND MOST THANKED THEIR CUSTOMERS FOR THE GOOD RELATIONS THAT EXISTED. MALAWI WAS MILDLY CRITICAL OF THE JAPANESE MONOPOLY (AS WERE SEVERAL OTHER NON-AFRICAN DELS) AND SUGGESTED THAT FAO SECRETARIAT CONTINUE ITS WORK TO SEEK HARMONIZATION OF NATIONAL LAWS ON PESTICIDE RESIDUES. FEW LATIN AMERICAN DELS SPOKE AND THOSE THAT DID REPORTED ON THEIR DOMESTIC INDUSTRY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GENEVA 03993 241416Z

4. FOLLOWING IS TEXT OF SUBSTANTIVE PORTIONS OF CONCLUSIONS:

QUOTE

THE MEETING AGREED THAT THE INTENSIVE CONSULTATIONS HAD OFFERED A USEFUL OPPORTUNITY FOR A FRANK EXCHANGE OF VIEWS ON MARKET ACCESS AND PRICING POLICY IN THE FIELD OF TOBACCO. THE DISCUSSIONS REVEALED THAT THE

CURRENT SITUATION OF THE WORLD TOBACCO ECONOMY WAS REASONABLY SATISFACTORY, ALTHOUGH CERTAIN COUNTRIES OR GROUPS OF COUNTRIES FACED SOME PROBLEMS. THE SESSION CONCLUDED THAT THERE WAS NEED THEREFORE TO REMAIN ALERT AND TO WATCH FUTURE DEVELOPMENTS. THERE WAS ALSO NEED TO IMPROVE EXPORT OPPORTUNITIES, PARTICULARLY WITH A VIEW TO FACILITATING INCREASED EXPORT EARNINGS OF DEVELOPING COUNTRIES.

THE MEETING CONCLUDED THAT WHILE GOVERNMENTS COULD NOT COMMIT THEMSELVES AT THIS STAGE TO ANY PARTICULAR COURSE OF ACTION, THE ISSUES COVERED DURING THE INTENSIVE CONSULTATIONS AND THE VARIOUS PROPOSALS ADVANCED IN THE DOCUMENTATION AND THE REPORT INCLUDING THOSE ON QUALITY IMPROVEMENT REPRESENTED POSSIBLE LINES OF ACTION FOR CONSIDERATION IN THE FIELDS OF MARKET ACCESS AND PRICING POLICY FOR TOBACCO. MANY DELEGATIONS EMPHASIZED THAT THE TECHNICAL AND FINANCIAL ASSISTANCE TO DEVELOPING COUNTRIES FOR THE IMPROVEMENT OF THEIR COMPETITIVENESS IN WORLD MARKETS SHOULD BE PROVIDED THROUGH THE EXISTING MULTILATERAL AND BILATERAL CHANNELS. UNQUOTEDALE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOBACCO, INSTRUCTIONS, TRADE LIBERALIZATION, LESS DEVELOPED COUNTRIES, INTERGOVERNMENTAL COOPERATION, MEETINGS, NEGOTIATIONS, TARIFF NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974GENEVA03993
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740165-0807
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740620/aaaaaqze.tel
Line Count: 136
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 125136 AND 130207
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 21 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 AUG 2002 by PhilliR0>; APPROVED <14 JAN 2003 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNCTAD/FAO:INTENSIVE CONSULTATIONS ON TOBACCO
TAGS: EAGR, ETRD, FAO, UNCTAD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005